

# Committee Report

<b>To:</b>	Warden Milne and Members of Grey County Council
<b>Committee Date:</b>	December 14, 2023
<b>Subject / Report No:</b>	CAOR-CW-23-23
<b>Title:</b>	Terms of Reference – Budget and Finance Committee
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<b>Reviewed by:</b>	
<b>Lower Tier(s) Affected:</b>	
<b>Status:</b>	

## Recommendation

1. That Report CAOR-CW-23-23 be received; and
2. That the Terms of Reference for the Budget and Finance Committee be endorsed as presented.

## Executive Summary

Report CAOR-CW-22-23 proceeded to Committee of the Whole on December 8, 2023 as part of the budget deliberations, recommending that staff prepare draft Terms of Reference for a Budget and Finance Committee to be established early in 2024 as Grey County moves towards multi year budgeting.

## Background and Discussion

With the increasing complexity and size of Grey County's operating and capital budgets, there are many benefits to establishing a smaller sub-committee that can work alongside staff throughout the year and make recommendations on the development of the County budget, financial policies and reports, asset management policies and service levels.

Following the December 8, 2023 Committee of the Whole meeting where County Council discussed the 2024 budget, staff have developed a draft Terms of Reference for a Budget and Finance Committee, as follows:

### Objective

The Budget and Finance Committee assists, advises and makes recommendations to Council regarding the fulfillment of Council's oversight

responsibility relative to financial reporting, key financial policies, and asset management.

Key responsibilities of the Committee include review of the preparation of the multi year operating and capital budget processes, reviewing budget documents prior to presentation to Council and review of periodic budget and other financial reports.

#### Committee Structure

The Budget and Finance Committee is proposed to be comprised of the Warden and four members of Council who are appointed by Council annually. The following staff members will serve on the Committee:

- Chief Administrative Officer
- Deputy Chief Administrative Officer
- Treasurer/Director of Finance
- Deputy Treasurer

#### Meetings

At its first meeting each year, the Budget and Finance Committee shall elect a Chairperson and Vice Chairperson from among its members.

The Committee shall meet at least 5 times per year, with additional meetings at the call of the Chair to properly discharge its responsibilities.

#### Responsibilities

Providing input into the creation of the County's first multi-year operating budget.

Reviewing the draft operating and capital budget documents prior to the preparation of the budget package for Council.

Reviewing operating and capital budget reports on a quarterly basis.

Recommending the annual schedule for capital and operating budget preparation and presentation for Council approval.

Reviewing financial and fiscal policies, practices and procedures as required.

Review reports with significant financial focus such as Development Charges Revenue, Development Charges Background Study, Investment Revenue, Reserve Fund Studies, etc.

Review the Strategic Asset Management Plan and Policies, make recommendations to Council.

#### Committee and Task Forces Policy

[Policy 3-24 – Establishing Committees and Task Forces Policy](#) established in November 2022 guides the creation and dissolution of Committees and Task Forces. In accordance with this policy, staff have undertaken a review of the proposed committee to ensure it aligns with the intentions of the Committee and Task Force Policy. The review is summarized as follows:

**The creation has been triggered as a result of significant public issues or trends and staff request.**

- The Grey County municipal budget is becoming increasingly complex and would benefit from a smaller sized committee that could provide input early in the process.
- Some jurisdictions are moving towards multi year budgeting in order to promote municipalities thinking strategically and farther into the future.

**Its mandate is relevant to Grey County's business, is realistic, relevant and achievable and is aligned with the organization's strategic objectives. It is also an effective way to engage in the process.**

- Given County Council's direct involvement in the municipal budget process, the committee structure involving county council members lends itself to this type of work, as opposed to other forms of engagement.
- Fiscal responsibility is at the forefront of Grey County's strategic objectives and a budget and finance committee would promote frequent and early discussions on municipal budget planning.

## Proposed Meeting Frequency

Given the heavier workload involved in the first year of the Committee, meetings are proposed in March, May, June, July, September, October, November 2024.

## Legislated Requirements

The proposed committee is not required by legislation. Committees are established as per the Committee and Task Force Policy and are subject to the Municipal Act, 2001 as amended, and Grey County's Code of Conduct and Procedural By-law.

## Legal Considerations

There are none.

## Financial and Resource Implications

Half day or full day per diems are paid by Grey County to County Council committee members depending on the length of the meeting. Mileage is paid to members for in person meetings attended. Costs are contained within the proposed 2024 operating budget.

## Relevant Consultation

- ☒ Internal
  - ☐ AODA Compliance (describe)
  - ☐ Contribution to Climate Change Action Plan Targets (describe)

☐ External (list)

## Appendices and Attachments

None

## Budget and Finance Committee

### Purpose:

The Budget and Finance Committee assists, advises and makes recommendations to Council regarding the fulfillment of Council's oversight responsibility relative to financial reporting, key financial policies, and asset management.

Key responsibilities of the Committee include review of the preparation of the multi-year operating and capital budget processes, reviewing budget documents prior to presentation to Council and review of periodic budget and other financial reports.

### Scope of Responsibility:

The Budget and Finance Committee's scope of responsibility shall include:

- Providing input into the creation of the County's first multi-year operating budget.
- Reviewing the draft operating and capital budget documents prior to the preparation of the budget package for Council.
- Reviewing operating and capital budget reports on a quarterly basis.
- Recommending the annual schedule for capital and operating budget preparation and presentation for Council approval.
- Reviewing financial and fiscal policies, practices and procedures as required.
- Review reports with significant financial focus such as Development Charges Revenue, Development Charges Background Study, Investment Revenue, Reserve Fund Studies, etc.
- Review the Strategic Asset Management Plan and Policies, make recommendations to Council.

### Membership:

Voting members of the Committee are appointed by County Council and shall include:

- Warden and 4 members of County Council appointed annually.

### Chair and Vice Chair:

The Chair and Vice Chair shall be elected from the voting members annually.

## Meetings:

Meetings shall occur at the call of the Chair or as determined by the Committee (approximately four – six meetings per year).

## Quorum:

A quorum shall consist of more than 50% of the membership of the Committee

## Statutory Authority:

The Committee is guided by the County's Procedural By-law, Council's Code of Conduct, other Grey County policies, plans, or studies as applicable, and provincial Acts and regulations, including:

- Municipal Act, 2001

## Reporting Relationship:

The Budget and Finance Committee shall report directly to the Committee of the Whole with endorsed recommendations being sent to County Council for ratification.

## Lead Staff:

The CAO, Clerk's and Finance Departments will provide staff support and coordination. Other staff resources or their designates may include:

- CAO
- Deputy CAO
- Clerk
- Deputy Clerk/Legislative Coordinator
- Director of Finance
- Executive Assistant to the Warden and CAO

Participation from external agencies, organizations, or stakeholders will be solicited where appropriate depending on the themes/topics being discussed.